KDnuggets Interview with Jesus Mena

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ABSTRACT

The KDnuggets newsletter has a new section of interviews with leaders in the field. This article presents the interview with Jesus Mena, CEO of WebMiner.

1. INTRODUCTION

Jesus Mena is the founder and CEO of WebMiner, Inc. He is the author of the first book on web mining -- "Data Mining Your Website" and the forthcoming "Webmining for Profitability." Jesus has 15 years experience in AI and has mined data sets from e-commerce, content providers, insurance, credit card, retail, manufacturing, financial services and telecommunications companies. He has conducted dozens of WebMining Camps attended by hundreds of e-business professionals, marketers, researchers, statisticians and data miners and has spoken at many business intelligence and data mining conferences in Canada, Europe and the US. Jesus lives in the San Francisco bay area with his wife and one daughter. He pronounces his name "Hey Zeus". He says "It's a heck of a name to live up to, but in California it is becoming more common.".

2. Interview

GPS: *What attracted you to Data Mining in the first place?*

Jesus Mena: Funny, when I got into this racket it wasn't called data mining, back then it was AI. I have always been interested in data driven decisions. This got me interested in working with neural networks and machine learning, this is about 15 years ago. I have always looked at data mining as a technology for optimizing performance; it should always have a business goal for example, increasing sales, reducing fraud, improving customer retention, adjusting pricing, etc.

GPS: *You set the stage for Web Mining with your 1999 book, Data Mining Your Website. How did you to decide to write this book?*

Jesus Mena: I had been doing data mining consulting work with all types of retailers, financial services, catalogers, insurance firms, etc., and I began to see a subtle but definite migration of customer transactions toward the Web, this was in the mid 90s. Also, I had been asked to speak at a data mining submit back in 1997 on the topic of "Data Mining and the Web" in researching for the presentation I found to my surprise that no one was doing any mining of web data. That is when I saw a need to start looking at how the technology could be leverage to improve online sales and customer retention. However, back in 1999 Internet companies and start-ups that were flush with VC dollars had a problem understanding how data mining could help them with their bottom line. Some of those firms are no longer around and some are trading in single digits. I still believe data mining could have helped some of them make a profit and maybe outlast their competitors – as always, data mining is about competitive intelligence.

GPS: *What is your typical daily schedule?*

Jesus Mena: Well we have offices in Silicon Valley and Alley, with me working out of the West Coast, so my days start with catching up on what has been happening in the New York office. This typically means sorting through e-mail, voice mail, attachments, analyses, client reports, etc., all the type of digital communications an e-business today generates. In between e-mail and conference calls, I write, however I always have to be available to talk to clients or team members in both offices. When writing a book and articles there are no weekends, luckily with a notebook, wireless modem and cell phone I can still catch my daughter's volleyball games and stay connected to everybody including nervous editors and publishers. I do quite a bit of traveling between the Bay Area and New York; I also visit clients all around the country and this year I made presentations in Canada, Europe, South America, and the US.

GPS: *You used to teach web mining seminars. Tell us some interesting or surprising stories you hear from your attendees.*

Jesus Mena: Well, we got out of the business of web mining seminars; we found that most of the individuals attending our WebMiner Camps tended to be vendors and consultants, in other words, our competitors. Although I still participate in conferences and panels I no longer do tutorials. One of the most surprising stories is of a VP of very large IT related company with hundreds of Internet servers. He came up to me after a session and told me that his company had just bought a large eCRM system, the kind that cost half a million dollars. Anyway his problem was that he did not know what it did, what data mining technology it used, what kind of analytics it performed, or how to use it. I think that back in 1999 and early 2000 people were spending hundreds of thousands of dollars on e-commerce suites, with little consideration for ROI. Today, of course unless you can demonstrate a clear ROI and profits you are not likely to make it or survive. By the way, I recently got a call from this VP informing me that he was available and was sending me his resume, his company apparently was downsizing its e- business operations from 125 workers down to 4.

GPS: *Recent dot-com crash has negatively impacted data mining and web mining companies. Which companies will survive and prosper?*

Jesus Mena: I believe that the survivors will be those companies that sell data mining, personalization and eCRM solutions – as a service, rather than software. I strongly believe that is the future of AI and data mining. The technology will be embedded in the Web and wireless networks, providing a host of services, all driven by interactive, intelligent models designed to optimize e-businesses

and personalize the customer experience. Deploying data mining and eCRM software is simply too difficult for most e-businesses to execute, I think the ASP model is ideal for web mining since all transactions occur on the Internet.

GPS: *Tell us about your second book, Webmining for Profitability.*

Jesus Mena: Well my first book was about how to mine web data, at the server level. Since then of course data mining technology has migrated into eCRMs, e- mail managers, ad networks, e-commerce suites, application servers, etc. So this second book talks about how these various systems work, who does what and how they do it. Data mining is all over the Web and soon it will be in the wireless environment, in this second book I talk about how to leverage the technology to drive profits, especially in light of the current highly competitive and anemic economy.

GPS: *What is a recent non-data mining book that you read and liked?*

Jesus Mena: One of my WebMiners loaned me The McKinsey Way, with so many hours on the air, the batteries in my notebook tend to max out, and so a good book like this one is a good back up.

GPS: *What is your vision for WebMiner? How large you think it will grow?*

Jesus Mena: The vision is to optimize e-businesses by provide data mining insight and real-time solutions as a service via the Web. We are already doing this with some clients -- getting some fantastic lift in their sales, so we know it works. As far as how big we will get, sound like the same question they asked Lennon about the Beatles, I think his answer was well you can be big headed and say you will be around for years and then you think, you may be gone by next week. In this weak economy, who knows -- although our ASP model should help since everybody is looking for online profits.

GPS: *Excluding your own work, what were the largest successes of web mining so far? What were the biggest failures?*

Jesus Mena: I have seen more failures than successes by far, and one of the reasons is that most of these web mining firms concentrated on the analysis exclusively of clickstream data. Also some concentrated on technologies that had some inherent limitations, such as collaborative filtering. Still others have failed because they neglected to mine their data altogether, while other have gone and purchased huge eCRM systems from which they only use 15% of its functionality.

GPS: *Tell us how you see the field in 2005 -- what would be the new technologies, new problems, new application areas?*

Jesus Mena: I see some of these technologies and problems to be privacy, wireless, geolocation and the globalization of the Web, for example, we are already dealing with challenges in delivering targeted offers to visitors in some of Brazil's major portals using an assortment of these technologies.

About the author:

Gregory Piatetsky-Shapiro, Ph.D. is the President of KDnuggets, which provides consulting and recruiting services in the area of data mining, web mining, knowledge discovery and business analytics. Gregory is the Editor of KDnuggets News and associated KDnuggets.com website.